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PAINTED TREE, at a glance

Painted Tree is a creative community of shops where hundreds of vendors sell unique and quality items to thousands of shoppers in highend markets across the country.

Below are a few ways Painted Tree helps vendors find success with less risk and less stress:

- Runs the cash register so vendors can sell items without being present
- Provides and prints barcode labels
- Collects and pays vendors' sales tax
- Pays the store bills such as water, electricity, property tax, insurance, and more
- Hires and trains the cashiers and staff
- Promotes and advertises the store
- Hosts special events to drive traffic to the store
- Provides a vendor portal to view sales, manage inventory, and more
- Offers exclusive discounts and perks for vendors in three or more locations

WHAT TO SELL

Painted Tree offers an unmatched variety of unique items including modern, farmhouse, artisanal goods, and more. Successful vendors often offer different types, sizes, and price points of items, including:

- Gifts
- · Home decor
- · Clothing, accessories, and shoes
- Furniture
- · Candles, fragrances, and soaps
- Children's clothing and toys
- Pet products and accessories
- · Handmade, curated items, and art
- Patio, garden, and outdoor furniture
- Packaged, non-perishable foods

WHAT NOT TO SELL

Painted Tree reserves the right to turn down items. The following items are not allowed:

- Used items including purses, bags, clothing, shoes, toys, and games
- · Counterfeit items
- Mattresses
- · Electronic devices
- Magazines
- Weapons
- CDs, DVDs, and tapes
- · Sexually explicit items
- Items that endorse or incite violence

MOVEIN

PAINT & STRUCTURES

Painted Tree provides the space and walls - vendors make it their own. The walls are 8 feet tall, with 1x6 inch trim extending 3-4 inches above the wall. The walls on each space generally end 2 feet short of the Painted Tree logo marker to increase items' visibility throughout the store. If vendors would like to make alterations to their space, build a structure, or paint their walls, they must obtain approval of the plans and color by Painted Tree staff. Failure to obtain permission of paint



colors and/or construction may result in an additional cost for correction. Neither trim nor bookshelves may be painted. Floor spaces cannot exceed a height of 5 feet.



SIGNAGE & SHELVING

Vendors are encouraged to use creativity in how they display their items including adding signage, displaying business cards, or incorporating a theme to their space. This allows shoppers to connect with vendors both on a personal level and online. Painted Tree asks that vendors do not use pegboard, metallic grids, tables with folding legs, or cardboard/plastic boxes to display items.

FLOORING

All spaces must be clear of debris so customers can walk freely without hazard. Rugs must have a mat underneath to ensure the rug does not slip. It is also required that no cords run under any flooring. If vendors choose to install flooring, it should be a "floating floor"; the use of sticky tiles, glue, or paste is not allowed and will forfeit the vendor's deposit. Painted Tree reserves the right to remove any items that may cause danger to others.

Painted Tree provides the space and walls vendors make it their own!



MOVEIN

POWER & LIGHTING

Vendors should have access to at least one electrical plug in their space, approximately 1 foot off the ground. A maximum of one power strip may be plugged into each outlet. All other cords should plug directly into the power strip. No other extension cords or power strips may be plugged into the initial strip (no daisy chaining).

At certain locations, electricity is turned off after business hours each night.

RETURNS & EXCHANGES

If a customer exchanges or returns an unused and non-damaged item within 48 hours of the original purchase, Painted Tree will retag and restock the item.

HANGERS

For vendors who sell clothing or any items that require a hanger, it is highly recommended they label their hangers with their vendor ID or space number. Painted Tree also asks vendors to provide a basket in their space where staff can return hangers. There will be a designated place in the store for unlabeled hangers.





MARKETING

MARKETING STRATEGY

Painted Tree's marketing strategy is centered on unifying, clarifying, and maintaining the consistency of the overall brand message and identity. The goal is to effectively communicate the Painted Tree experience across all platforms to reach current shoppers, future shoppers, and potential vendors. Painted Tree also customizes marketing efforts to reach the intended audience and make decisions based on tracked metrics.

Painted Tree's dedicated, experienced marketing team works hard to bring traffic to the store, increase brand awareness, and grow Painted Tree into a household name in the following ways:

- In-store events
- Social media marketing including Instagram, Facebook, Pinterest, and TikTok
- Search engine optimization
- · Google and social media ads
- · Email advertising
- Print advertising and mailers
- Press releases
- Television features and commercials
- · And more!

MEDIA RELEASE

Vendors grant permission to Painted Tree Boutiques to use their name, business, likeness, images, videos, and other media formats, in any and all of its publications, including but not limited to website entries, social media posts, marketing materials, and advertising.













MARKETING

EVERYONE PLAYS A PART

Painted Tree has found its most successful vendors are often those who learn how to market themselves. Since the marketing team focuses its efforts on promoting the Painted Tree name and mission, vendors can direct their efforts into marketing their own space.

Painted Tree believes social media is invaluable for vendors trying to grow their business, as it provides the best return on investment. While spending a little money can provide a higher return on investment, even free marketing can result in increased exposure.

With thousands of passionate vendors spreading the word to their friends and family, Painted Tree can collectively reach more people with the most effective strategy - a recommendation from someone you trust. The more vendors can do to spread the word in public and on social media, the better everyone will be!

FOLLOW US ON SOCIAL MEDIA

- **f**) Painted Tree Boutiques
- (a) @paintedtreeboutiques
- (a) @paintedtreeboutiques
- @paintedtreeboutiques



SIMPLE CONSIGN

Painted Tree uses point-of-sale software that tracks and posts each sale in real time. Vendors will be given a vendor ID that links to their online account, where they can view sold items, account balances, and manage inventory. This system also allows vendors to host sales in their space by simply submitting a Host a Sale form. Once notified, Painted Tree staff will ensure proper signage is displayed.

SECURITY TAGS & CAMERAS

Painted Tree is serious about merchandise security. Each location has a security gate at the front door and unlimited security tags are offered at no additional cost. Like most major retailers, Painted Tree utilizes cameras, both real and dummy, in common areas throughout the store. Vendors interested in additional security deterrents are encouraged to purchase cameras for their space.



MISSING ITEMS

If an item is missing or has been misplaced, please notify the front desk staff, who will search for the item. Painted Tree is not responsible for missing items.

MULTIPLE LOCATIONS

VIP VENDORS

After finding success in one store, many vendors choose to expand to multiple locations. Each location is strategically chosen with a list of criteria in mind, including the area's population density, average household income, traffic count, store visibility, and neighboring businesses.

Vendors with spaces in three or more locations or spending at least \$2,000 in monthly rent are considered "VIP Vendors". VIP Vendor perks include 10% off rent, early access to new Painted Tree locations, direct access to a VIP Liaison, and invitations to

special events such as dinners and sporting events. The discount increases to 15% for vendors in eight or more locations!







DROP SHIPPING PROGRAM

Painted Tree's drop shipping program makes things simple for vendors who either purchase

merchandise from wholesalers or are not local to their store. Vendors ship their inventory directly to the store address. Upon receiving the items, the store staff will tag and merchandise items at a rate of \$15 an hour.



Rent is due on the 1st of each month. Painted Tree

takes out the rent payment and 10% commission from the previous month's sales. After those deductions, a check will be printed for pickup. Vendors also have the option to have their checks mailed to an address on file. If a payout occurs during a weekend or holiday, checks will be available the following business day.

If there is a balance, Painted Tree will attempt to run the credit or debit card on file. In the event the credit or debit card declines, vendors will be emailed an invoice for the remaining balance and will have a 5-day grace period to pay the invoice. At the lease renewal period, Painted Tree reserves the right to increase rent up to 3%.

SALES TAX

Painted Tree will collect and pay all sales tax on behalf of its vendors. Creating a separate entity for your business is not necessary in many cases but for those who do have an entity and are required to file monthly sales tax reports, report \$0 in sales for the portion of goods sold at Painted Tree. For vendors requesting proof Painted Tree pays the sales tax, notify the store manager, who will request the information from the Home Office.

OVERDUE BALANCE

If vendors owe more than \$300 or have an overdue balance for two consecutive months, their accounts will be considered in default and their spaces abandoned. Once defaulted, their account will be turned over to a collections agency. This may impact their credit score. Space abandonment means any inventory, furniture, and fixtures default to the property of Painted Tree, who will become owners of the space along with all of its contents.

NON-DISPARAGEMENT CLAUSE

Vendors agree to refrain from making any statements, whether online or otherwise, that could disparage or negatively affect the reputation of Painted Tree. The intention of this clause is to promote a positive business partnership and foster an environment of mutual respect. Any concerns or disputes shall be addressed directly and privately with Painted Tree to seek resolution. Breach of this clause may result in termination of the agreement and potential legal action.

MOVE OUT

At the conclusion of the first term, the lease shall have a rolling renewal and the term shall be extended for 12 month periods unless terminated under the provisions of this agreement. At the end of each term, vendors can end their lease by providing 30 days written notice. A form at the front desk should be completed at the start of the notice period, and staff should be notified when the space has been emptied. A walk-through with an employee will be conducted to ensure the space is left in satisfactory condition.

Fees can range from \$50 to \$500 for damages such as extensive holes, items left in the space, incomplete/poor paint, and damaged flooring. Wall coverings such as faux brick or shiplap are considered improvements and will not incur a fine, nor will lighting and structures built above the space.

Once the 30-day notice period is over, Painted Tree reserves the right to move and take ownership of any abandoned vendor inventory to clear space for the next vendor.

The security deposit is refundable and will be included in the last payout, assuming the following requirements have been met:

- 30 days notice was given
- No items were left in the space beyond the expiration of the 30-day period
- Space was left in satisfactory condition
- · Account balance was reconciled

If the leased space is damaged or destroyed by fire or other hazards not caused by the vendor, this lease will become null and void, and Painted Tree will refund any rent paid in advance. Painted Tree reserves the right to discontinue the agreement at any time.











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